

# **ATTACHMENT 3**

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

|                                       |   |                         |
|---------------------------------------|---|-------------------------|
| In re:                                | ) | Chapter 11              |
|                                       | ) |                         |
| W.R. GRACE & CO., et al. <sup>1</sup> | ) | Case No. 01-01139 (JFK) |
|                                       | ) | Jointly Administered    |
| Debtors.                              | ) |                         |
|                                       | ) | Objection Date:         |

TWELFTH MONTHLY APPLICATION OF BEVERIDGE & DIAMOND, P.C.  
FOR COMPENSATION FOR SERVICES RENDERED AND  
REIMBURSEMENT OF EXPENSES  
AS COUNSEL TO THE DEBTORS FOR THE  
PERIOD FROM SEPTEMBER 1, 2006 THROUGH SEPTEMBER 30, 2006

|   |   |
|---|---|
| Name of Applicant:  | Beveridge & Diamond, P.C.               |
| Authorized to Provide Professional Services to:                             | Debtors and Debtors in Possession       |
| Date of Retention:  | May 12, 2005                            |
| Period for which Compensation and Reimbursement is Sought:                  | September 1, 2006 to September 30, 2006 |
| Amount of Compensation Sought as Actual, Reasonable and Necessary:          | \$16,988.75                             |
| Amount of Expense Reimbursement Sought as Actual, Reasonable and Necessary: | \$287.83                                |

This is a:    XX    monthly           interim           final application.

<sup>1</sup> The Debtors consist of the following 62 entities: W.R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W.R. Grace & Co.-Conn, A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W.R. Grace Capital Corporation, W.R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc.), E&C Liquidating Corp., Emerson & Cuning, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

PRIOR APPLICATIONS FILED:

| Date Filed | Period Covered     | Requested Fees           | Requested Expenses | Approved Fees | Approved Expenses |
|------------|--------------------|--------------------------|--------------------|---------------|-------------------|
| 12/05      | 10/1/05 – 10/31/05 | \$13,486.25              | \$ 337.02          | Pending       | Pending           |
| 2/06       | 11/1/05 – 11/30/05 | \$46,587.50 <sup>2</sup> | \$ 57.62           | Pending       | Pending           |
| 2/06       | 12/1/05 – 12/31/05 | \$ 5,726.25 <sup>3</sup> | \$1,308.41         | Pending       | Pending           |
| 3/06       | 1/1/06 – 1/31/06   | \$11,187.50              | \$ 173.56          | Pending       | Pending           |
| 4/06       | 2/1/06 – 2/28/06   | \$16,106.25              | \$ 156.33          | Pending       | Pending           |
| 5/06       | 3/1/06 – 3/31/06   | \$11,377.50              | \$ 70.33           | Pending       | Pending           |
| 6/06       | 4/1/06 -- 4/30/06  | \$13,693.75              | \$ 356.81          | Pending       | Pending           |
| 8/06       | 5/1/06 -- 5/31/06  | \$28,261.25              | \$ 227.37          | Pending       | Pending           |
| 9/13/06    | 6/1/06 -- 6/30/06  | \$10,103.75              | \$ 285.26          | Pending       | Pending           |
| 9/13/06    | 7/1/06 -- 7/31/06  | \$ 4,307.50              | \$ 14.21           | Pending       | Pending           |

B&D PROFESSIONALS<sup>4</sup>

| Name of Professional Individual | Position of the Applicant, Number of years in that Position, Prior Relevant Experience, Year of Obtaining License to Practice, Area of Expertise | Hourly Billing Rate (including changes) | Total Hours Billed | Total Compensation |
|---------------------------------|--|---|--------------------|--------------------|
| Karl Bourdeau                   | Principal; Joined Firm 1980; Member of DC Bar since 1978   | \$525.00                                | 7.25               | \$3,806.25         |
| Pamela D. Marks                 | Of Counsel; Joined Firm 1997; Member of MD Bar since 1986  | \$350.00                                | 29.25              | \$10,237.50        |
| Sarah E. Brull                  | Associate; Joined Firm 2006; Member of MD Bar since 2005   | \$190.00                                | 15.50              | \$2,945.00         |

Total Fees: \$ 16,988.75  
Total Hours: 52.00  
Blended Rate: \$326.00

<sup>2</sup> The original Application filed 2/06 requested fees in the amount of \$43,662.50 and Expenses in the amount of \$57.62. Amendment of this application is pending and will correct the amount of the requested fees which should have been \$46,587.50.

<sup>3</sup> The original application filed 2/06 requested fees in the amount of \$5,238.75 and Expenses in the amount of \$1,308.41. Amendment of this application is pending and will correct the amount of the requested fees which should have been \$5,726.25.

<sup>4</sup> These amounts are the sum total from the invoices attached hereto as Exhibit A (Matter) and Exhibit B (Fee Application Preparation).

TASK CODE SUMMARY

| Project Category                     | Total Hours | Total Fees Requested |
|--------------------------------------|-------------|----------------------|
| Litigation and Litigation Consulting | 52.00       | \$ 16,988.75         |

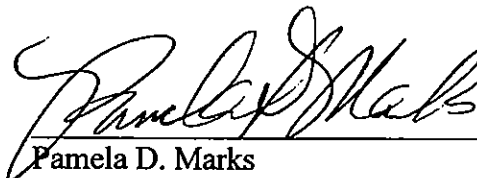
EXPENSE SUMMARY<sup>5</sup>

| Expense Category        | Service Provider (if applicable) <sup>6</sup> | Total Expense |
|-------------------------|---|---------------|
| Duplicating             |   | \$15.40       |
| Lexis/Nexis Court Link  | Lexis/Nexis                                   | \$250.09      |
| Postage                 | U. S. Mail                                    | \$3.81        |
| Express Delivery        | Federal Express                               | \$13.93       |
| Long Distance Telephone |   | \$4.60        |

WHEREFORE, Beveridge & Diamond, P.C. respectfully requests that, for the period September 1, 2006 through September 30, 2006, an interim allowance be made to Beveridge & Diamond, P.C. for compensation in the amount of \$ 16,988.75 and actual and necessary expenses in the amount of \$287.83 for a total allowance of \$17,276.58, and payment of \$13,591.00 (80% of the allowed fees) and reimbursement of \$287.83 (100% of the allowed expenses) be authorized for a total payment of \$13,878.83, and for such other and further relief as this Court may deem just and proper.

Dated: October 31, 2006

BEVERIDGE & DIAMOND, P.C.



Pamela D. Marks  
201 N. Charles Street, Suite 2210  
Baltimore, MD 21201  
Telephone: 410-230-3850  
Facsimile: 410-230-3868  
Counsel for Debtors and Debtors in Possession

<sup>5</sup> These amounts are the sum total of the disbursements as shown on the invoices attached hereto as Exhibit A (Matter) and Exhibit B (Fee Application Preparation).

<sup>6</sup> B&D may use one or more service providers. The service providers identified herein below are the primary service providers for the categories described.

VERIFICATION

Pamela D. Marks, after being duly sworn according to law, deposes and says:

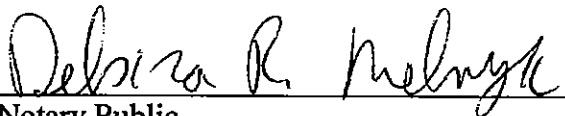
a) I am an attorney with the applicant law firm Beveridge & Diamond, P.C..

b) I am familiar with the legal services rendered by Beveridge & Diamond, P.C. as counsel to the Debtor and am thoroughly familiar with the other work performed on behalf of the Debtor by the lawyers and paraprofessionals of Beveridge & Diamond, P.C.

c) I have reviewed the foregoing Application and the facts set forth therein are true and correct to the best of my knowledge, information and belief. Moreover, I have reviewed the Local Bankruptcy Rules for the District of Delaware, and submit that the Application substantially complies with such rules.

  
Pamela D. Marks

SWORN AND SUBSCRIBED  
before me this 31 day of October, 2006.

  
Notary Public  
My Commission Expires: May 27, 2009

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

|                                       |   |                         |
|---------------------------------------|---|-------------------------|
| In re:                                | ) | Chapter 11              |
|                                       | ) |                         |
| W.R. GRACE & CO., et al. <sup>1</sup> | ) | Case No. 01-01139 (JFK) |
|                                       | ) | Jointly Administered    |
| Debtors.                              | ) |                         |
|                                       | ) | Objection Date:         |

FEE DETAIL FOR BEVERIDGE & DIAMOND, P.C.'S  
MONTHLY FEE APPLICATION FOR THE PERIOD  
SEPTEMBER 1, 2006 THROUGH SEPTEMBER 30, 2006

<sup>1</sup> The Debtors consist of the following 62 entities: W.R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W.R. Grace & Co.-Conn, A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W.R. Grace Capital Corporation, W.R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc.), E&C Liquidating Corp., Emerson & Cuning, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

# **EXHIBIT A**

**(Matter)**

LAW OFFICES  
 BEVERIDGE & DIAMOND, P.C.  
 SUITE 2210  
 201 NORTH CHARLES STREET  
 BALTIMORE, MD 21201-4150  
 (410) 230-3850

W. R. Grace & Co. - Conn  
 Attn: Lydia B. Duff, Esq.  
 7500 Grace Drive  
 Columbia, MD 21044

October 19, 2006  
 Client/Matter # 01246-011548  
 Invoice # 112892  
 Federal ID# 52-1247549

For Legal Services Rendered Through 09/30/06 in Connection With:

PLEASE REMIT PAYMENT TO : BEVERIDGE & DIAMOND, P.C.  
 SUITE 700  
 1350 I STREET, N.W.  
 WASHINGTON, D.C. 20005-3311

Murtis Bay FUSRAP Bankruptcy Claim Resolution

|         |             |      |  |
|---------|-------------|------|--|
| 9/01/06 | P. Marks    | 1.00 | Track and evaluate case law developments.  |
| 9/07/06 | P. Marks    | 1.25 | Review P. Bucens emailed information re technical issues; evaluate and reply to same.  |
| 9/12/06 | P. Marks    | 1.00 | Prepare for meeting with L. Duff.  |
| 9/13/06 | K. Bourdeau | 0.25 | Communication with P. Marks re strategy.   |
| 9/13/06 | P. Marks    | 3.50 | Conference with L. Duff; followup conference with M. Obradovic re strategic issues; evaluate same; schedule followup meeting; coordinate with K. Bourdeau. |
| 9/15/06 | K. Bourdeau | 1.00 | Conference with P. Marks re strategy and tasks.  |
| 9/15/06 | P. Marks    | 1.25 | Telephone conference with K. Bourdeau re developments and strategy; followup evaluation re same.   |
| 9/18/06 | P. Marks    | 4.00 | Evaluate legal research, issues and strategy.  |
| 9/19/06 | K. Bourdeau | 1.50 | Conference call with P. Marks, L. Duff and bankruptcy counsel re strategy; follow-up with P. Marks re same.  |



BEVERIDGE &amp; DIAMOND, P.C.

INVOICE # 112892

October 19, 2006

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|          |             |      |  |
|----------|-------------|------|--|
| 09/19/06 | P. Marks    | 1.25 | Telephone conference with client team re strategic and procedural issues; evaluation with K. Bourdeau re same.   |
| 09/20/06 | K. Bourdeau | 0.50 | Review P. Marks re analysis of issues; prepare list of issues re same.   |
| 09/20/06 | P. Marks    | 2.00 | Prepare and organize case information; evaluate technical information associated with RWDA; email to L. Duff re same.  |
| 09/21/06 | K. Bourdeau | 1.25 | Conference with P. Marks re issues; prepare email to P. Marks re additional issues to address; follow-up conference with P. Marks re strategy.                 |
| 09/21/06 | P. Marks    | 3.00 | Evaluate strategic and research issues; telephone conference with K. Bourdeau re same; telephone conference with S. Brull re research.                         |
| 09/21/06 | S. Brull    | 0.25 | Conference with P. Marks re research assignment.   |
| 09/22/06 | P. Marks    | 2.25 | Conference with S. Brull re research; telephone conference with L. Duff re strategy; evaluate same.  |
| 09/22/06 | S. Brull    | 3.25 | Legal research; conference with P. Marks re goals of research.   |
| 09/25/06 | K. Bourdeau | 2.75 | Conference with L. Duff, M. Obradovic and P. Marks re strategy; conference with P. Marks on preparation for that conference call; review of related documents. |
| 09/25/06 | P. Marks    | 4.00 | Evaluate issues and prepare for client telephone conference; conduct telephone conference; follow up tasks.  |
| 09/26/06 | S. Brull    | 1.50 | Legal research; conference with P. Marks re same.  |
| 09/27/06 | P. Marks    | 1.00 | Conference with S. Brull re research; review case law.   |
| 09/27/06 | S. Brull    | 5.25 | Legal research.  |
| 09/28/06 | P. Marks    | 1.00 | Evaluate research issues and strategy.   |

BEVERIDGE & DIAMOND, P.C.

INVOICE # 112892

October 19, 2006

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|          |          |      |   |
|----------|----------|------|---|
| 09/29/06 | P. Marks | 1.50 | Prepare for and conduct telephone conference with J. Freeman (DOT); direct S. Brull re research; telephone conference with L. Duff re issues. |
| 09/29/06 | S. Brull | 5.25 | Legal research; conference with P. Marks re same.   |

Total Hours : 50.75

Total Fees : \$16,551.25

BEVERIDGE &amp; DIAMOND, P.C.

INVOICE # 112892

October 19, 2006

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Disbursements:

Long Distance Telephone 4.60  
Information Service - VENDOR: LEXISNEXIS COURT 116.32  
LINK - Inv EA243767 dated 8/2/06 for product  
usage  
Information Service - VENDOR: LEXISNEXIS COURT 133.77  
LINK-Invoice #EA247483 dated 9/1/06 for  
courtlink transactional usage

Total Disbursements : \$254.69

Time Summary:

|             | Hours<br>Worked | Billed<br>Per Hour | Bill<br>Amount |
|-------------|-----------------|--------------------|----------------|
| K. Bourdeau | 7.25            | \$525.00           | \$3,806.25     |
| P. Marks    | 28.00           | \$350.00           | \$9,800.00     |
| S. Brull    | 15.50           | \$190.00           | \$2,945.00     |

Total Fees : \$16,551.25

Total Disbursements : \$254.69

TOTAL DUE : \$16,805.94

# **EXHIBIT B**

**(Preparation of Fee Application)**

LAW OFFICES  
BEVERIDGE & DIAMOND, P.C.  
SUITE 2210  
201 NORTH CHARLES STREET  
BALTIMORE, MD 21201-4150  
(410) 230-3850

W. R. Grace & Co. - Conn  
Attn: Lydia B. Duff, Esq.  
7500 Grace Drive  
Columbia, MD 21044

October 19, 2006  
Client/Matter # 01246-012629  
Invoice # 112893  
Federal ID# 52-1247549

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For Legal Services Rendered Through 09/30/06 in Connection With:

PLEASE REMIT PAYMENT TO : BEVERIDGE & DIAMOND, P.C.  
SUITE 700  
1350 I STREET, N.W.  
WASHINGTON, D.C. 20005-3311

Bankruptcy Fee Application

|         |          |      |                           |
|---------|----------|------|---------------------------|
| 9/12/06 | P. Marks | 0.75 | Prepare fee applications. |
| 9/13/06 | P. Marks | 0.25 | Prepare fee applications. |
| 9/25/06 | P. Marks | 0.25 | Prepare fee application.  |

Total Hours : 1.25

Total Fees : \$437.50

BEVERIDGE &amp; DIAMOND, P.C.

INVOICE # 112893

October 19, 2006

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Disbursements:

|                  |       |
|------------------|-------|
| Postage          | 3.81  |
| Duplicating      | 15.40 |
| Express Delivery | 13.93 |

|                       |         |
|-----------------------|---------|
| Total Disbursements : | \$33.14 |
|-----------------------|---------|

Time Summary:

|          | Hours<br>Worked | Billed<br>Per Hour | Bill<br>Amount |
|----------|-----------------|--------------------|----------------|
| P. Marks | 1.25            | \$350.00           | \$437.50       |

|              |          |
|--------------|----------|
| Total Fees : | \$437.50 |
|--------------|----------|

|                       |         |
|-----------------------|---------|
| Total Disbursements : | \$33.14 |
|-----------------------|---------|

|             |          |
|-------------|----------|
| TOTAL DUE : | \$470.64 |
|-------------|----------|